

## Message Text

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ACTION EB-08

INFO OCT-01 ARA-06 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-06 SP-02  
SS-15 STR-04 TRSE-00 ACDA-07 /094 W  
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R 012330Z MAR 77  
FM AMEMBASSY MEXICO  
TO SECSTATE WASHDC 0616  
INFO ALL US CONSULATES IN MEXICO BY POUCH

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E.O. 11652: GDS  
TAGS: ENRG, BEXP, BENC, MX  
SUBJ: NEW DEVELOPMENTS IN PEMEX'S ZONA SUR.

REF: MEXICO 1142 NOTAL

XQM SUMMARY: PETOFF MADE CALLS ON PEMEX OFFICIALS IN VILLAHERMOSA, AND COATZACOALCOS, FEBRUARY 24-26, 1977. AMOUNT OF GAS BEING FLARED HAS BEEN GREATLY REDUCED SINCE LAST VISIT IN SEPTEMBER 1976; 85 PERCENT NOW BEING SWEETENED. PEMEZ HAS 35-50 DEEP DRILLING RIGS OPERATING, WILL HAVE 45 BY JULY, AND 55 BY JANUARY 1978. PEMEZ MAY HAVE ALREADY SIGNED CONTRACT FOR MARINE PRODUCTION DRILLING RIG. END SUMMARY.

2. PETOFF VISITED VILLAHERMOSA, TABASCO, AND COATZACOALCOS, VER., TO MAKE CALLS FOR MARINE TECHNOLOGY SEMINAR AND TRADE SHOW AND TO RENEW ACQUAINTANCES IN BOTH CITIES. WHILE A NUMBER OF OLD CONTACTS WERE NOT IN TOWN OR HAD BEEN TRANSFERRED, RECEPTION BY BOTH PEMEX ENGINEERS AND OTHER GOVERNMENT OFFICIALS WAS NOTICEABLY WARMER THAN PREVIOUS VISITS.

2. PEMEX HAS 35-40 DEEP DRILLING RIGS (5-6000M) OPERATING NOW, EXPECTS TO HAVE 45 BY JULY 1, 1977 AND  
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55 BY JANUARY 1978. THEY COULD USE SOME RIGS WITH 7000M CAPABILITY BUT THOSE ON HAND ARE ADEQUATE FOR WELL COMPLETION IN MOST FORMATIONS. NO 7000. RIGS ARE CURRENTLY AVAILABLE IN THE VILLAHERMOSA AREA. RIG UTILIZATION RATES ARE IMPROVING BUT ARE STILL BELOW INTERNATIONAL STANDARDS.

3. PEMEX IS DRILLING A PROMISING EXPLORATORY WELL IN THE CARRIZO FIELD BETWEEN VILLAHERMOSA AND CARDENAS. THE FIELD, ONE OF THE OLDEST IN ZONA SUR, HAS BEEN PRODUCING FROM TERTIARY STRATA SINCE 1957. THE WELL WILL PENETRATE THE CRETACEOUS FORMATIONS.

4. PEMEX IS CURRENTLY SWEETENING ABOUT 700 MCFD OF GAS AT CACTUS, 85 PERCENT OF FIELDS OUTPUT, AND COULD HANDLE ABOUT 1BCFD WITH EQUIPMENT ALREADY ON STREAM. CONSTRUCTION OF PLANTS 5 AND 6 IS PROCEEDING ON SCHEDULE AND BIDDING FOR 7 AND 8 WILL BEGIN SOON. BLACK, SIWALS AND BRYSON HAVE THE INSIDE TRACK, BUT PEMEX WILL LOOK AT OTHER PROPOSITIONS. NEW SWEETNER(S) ARE ALSO PLANNED FOR THE NUEVO LAREDO-REYNOSA AREA. PEMEX HAS BEGUN CONSTRUCTION TO THOSE AT CIUDAD PEMEX AND LA VENTA. CAPACITY WILL BE 50,000 B/D EACH.

5. PEMEX MAY REPEAT MAY HAVE ALREADY SIGNED A CONTRACT FOR SOME TYPE OF DRILLING RIG FOR THE GULF OF CAMPECHE CONTINENTAL SHELF. VESSEL MAY BEGIN OPERATING WITHIN THIRTY DAYS. VESSEL IS NOT DRILLING BARGE MENTIONED IN PARA 5 OF REF BUT MAY BE CONSORTIUM IN PARA 4. PETOFF WILL ATTEMPT TO CONFIRM FACTS FURING MEETINGS AT PEMEX WEEK OF FEBRUARY 28.

6. EMBASSY COMMENT: PETOFF WAS IMPRESSED BY AIR OF CONFIDENCE AND PURPOSEFULNESS AMONG PEMEX EMPLOYEES; MORALE SEEMED MUCH HIGHER THAN IN SEPTEMBER. CONSTRUCTION OF NEW FACILITIES SEEMED TO BE MOVING AT A FURIOUS  
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PACE; THE HIGHWAYS WERE CROWDED WITH DUMP TRUCKS AND OTHER HEAVY EQUIPMENT AND POTHOLE ABOUNDED. PEOPLE HAD NOTHING BUT PRAISE FOR PEMEX DIRECTOR GENERAL JORGE DIAZ SERRANO WHO SEEMS TO BE THE CAUSE OF THIS IMPROVED MORALE.  
THOMPSON

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## Message Attributes

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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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